

COVER PAGE

Wisconsin Power and Light Company

Docket 6680-UR-117

Second Corrected Exhibit 3.11 (Lane Kollen)

**Response of
Wisconsin Power and Light Company
to
The Public Service Commission of Wisconsin
Data Request No. RAM-02**

Public Service Commission of Wisconsin
RECEIVED: 09/15/09, 4:22:01 PM

Docket Number: 6680-UR-117
Date of Request: May 11, 2009
Response Due: May 19, 2009
Information Requested By: Ron Manke
Date Responded: June 4, 2009
Author: Marty Seitz
Author's Title: Mgr II Fin Planning & Analysis
Author's Telephone No.: (608) 458-3363
Witness: (If other than Author)

Data Request No. RAM-02:

Payroll

Based on preliminary discussions with WPL staff, it is my understanding that recent layoffs have not been included in the company's test year labor estimates. Please provide the test year impact of these layoffs. If additional layoffs occur, please continue to provide the test year impact for these layoffs.

Response:

As you noted, the impacts of organizational changes announced since the first of the year have not been included in the 2010 budget information used to develop the full, \$133.4 million, electric and natural gas revenue deficiency. Included below are the test year impacts of the changes made since January. While WPL does not anticipate additional significant changes, we will provide further updates on future changes should they occur.

In early 2009, Alliant Energy Corporation's executive group was reorganized with expanded roles and salary changes for some. These changes were not included in the test year budgets. In May 2009 the executive group was again reorganized resulting in the elimination of 5 VP positions and the creation of one new VP position. These positions changes were also not included in the test year. The impact for these two items is summarized below. The details were provided in Revenue Requirement – 57.

<u>Item</u>	<u>Total</u>	<u>WPL Share</u>
Impact of January 2009 Reorganizational Changes	\$ 238,742	\$ 94,839
Impact of May 2009 Additional Organizational Changes and Reductions	\$ (880,700)	\$ (471,637)
Net Change	<u>\$ (641,958)</u>	<u>\$ (376,798)</u>

These amounts are then allocated to Capital, O&M, and Other as appropriate.

Also in May 2009, there were 18 Director positions eliminated. The total salary impact of the workforce reduction was approximately \$2.5M, of which approximately 39.28% or \$982,000 is allocable to WPL and affects Capital, O&M and Other.

Additional workforce reductions at the Manager and Individual Contributor position levels followed shortly thereafter. A total of 94 positions at these levels were eliminated with a total salary impact of \$6.8M. Of this amount, approximately 39.28% or \$2.68M is allocable to WPL and affects Capital, O&M, and Other as appropriate.

Finally, on May 21, 2009 WPL announced plans to restructure the Rock River generating station operations which will ultimately reduce the number of employees at that location by 34. This restructuring will reduce labor costs by approximately \$2.7M annually. Since the large majority of these employees are bargaining unit employees, the process of reduction in forces is subject to negotiated contract terms and conditions. At this time the total 2010 impact on labor can only be estimated. This impact will affect WPL only.

The total impacts to WPL's 2010 revenue requirement attributable to the changes noted above, along with the impact they have on the labor vacancy allowance included in the 2010 test year, are summarized below:

2010 Test Year Total Labor (RAM-01)	Dollars	Headcount
WPL Union	\$ 85,147,845	1,233
WPL Non Union	\$ 9,257,704	121
SERVCO	\$ 130,253,373	1,737
Subtotal: 2010 Test Year Total Labor	\$ 224,658,923	3,091
Less: Employee Changes		
VP Changes	\$ (641,958)	(4)
Director Reductions	\$ (2,499,053)	(18)
Manager/Individual Contributor Reductions/Other	\$ (6,811,251)	(94) (a)
Rock River Estimated Reductions	\$ (2,700,000)	(34)
Total Annualized Adjustment	\$ (12,652,262)	(150)
Adjustment to Labor Vacancy Allowance	\$ 386,587	(b)
Adjusted 2010 Test Year Total Labor	\$ 212,393,249	2,941

(a) Includes three position eliminations announced on May 29, 2009.

(b) The labor vacancy adjustment is based upon RAM-01 data by multiplying the above adjustment by a ratio (3.06%) of 2010 (WPL and SERVCO) labor vacancy dollars by the total 2010 (WPL and SERVCO) labor dollars prior to the vacancy allowance.